



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Executive Director

No. 99/42

August 20, 1999

TO COUNTY ASSESSORS,
COUNTY COUNSELS, COUNTY
ASSESSMENT APPEALS BOARDS,
AND OTHER INTERESTED PARTIES:

**NOTICE OF PROPOSED REGULATORY ACTION
BY THE
STATE BOARD OF EQUALIZATION**

**REPEAL PROPERTY TAX RULE 466 – VALUATION AND ENROLLMENT OF TREES
AND VINES**

PUBLIC HEARING: WEDNESDAY, OCTOBER 6, 1999 AT 1:30 P.M.

NOTICE IS HEREBY GIVEN:

The State Board of Equalization, pursuant to the authority vested in the Board by Section 15606 (c) of the Government Code proposes to repeal Regulation Section 466 in Title 18, Division 1 of the California Code of Regulations. A public hearing on the proposed repeal will be held in Room 121, 450 N Street, Sacramento, at 1:30 p.m., or as soon thereafter as the matter may be heard, on October 6, 1999. Any person interested may present statements or arguments orally at that time and place. Written statements or arguments will be considered by the Board if received by October 6, 1999.

INFORMATIVE DIGEST

The proposed repeal would eliminate redundancy and, to some extent, inconsistency between the property tax rules and the statutes that implement the provisions of Article XIII A of the California Constitution (Proposition 13), with respect to the valuation and enrollment of trees and vines.

The express terms of the proposed action, written in plain English, are available from the agency contact person named in this notice.

COST TO LOCAL AGENCIES AND SCHOOL DISTRICTS

The State Board of Equalization has determined that the proposed repeal of Rule 466 does not impose a mandate on local agencies or school districts. Further, the Board has determined that the repeal will result in no additional direct or indirect costs to any State agency or any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, and that there are no other non-discretionary costs or savings imposed on local agencies, or cost or savings in Federal funding to the State of California.

EFFECT ON BUSINESS

Pursuant to Government Code Section 11346.53(c), the Board of Equalization finds that the repeal of Rule 466 will not have a significant adverse economic impact on business, because the repeal would only eliminate redundancy and, to some extent, inconsistency between the property tax rules and the statutes that implement the provisions of Article XIII A of the California Constitution (Proposition 13).

The repeal of this regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

The repeal of the regulation as proposed will not be detrimental to California businesses in competing with businesses in other states.

The proposed repeal of the regulation will not affect small business because the repeal would only eliminate redundancy and, to some extent, inconsistency between the property tax rules and the statutes that implement the provisions of Article XIII A of the California Constitution (Proposition 13).

ADVERSE ECONOMIC IMPACT ON PRIVATE PERSONS/BUSINESSES

There will be no adverse economic impact on private businesses or persons because the proposed repeal would only eliminate redundancy and, to some extent, inconsistency between the property tax rules and the statutes that implement the provisions of Article XIII A of the California Constitution (Proposition 13).

FEDERAL REGULATIONS

Rule 466 has no comparable Federal regulations.

AUTHORITY

Government Code Section 15606, subdivision (c).

REFERENCE

Article XIII A, Sections 1, 2, California Constitution.

CONTACT

Questions regarding the content of the proposed repeal should be directed to:
Mr. Daniel G. Nauman, Tax Counsel, at P.O. Box 942879, 450 N Street, MIC:82, Sacramento,
CA 94279-0082. Telephone: (916) 324-2655. FAX: (916) 323-3387.

Written comments for the Board's consideration or requests to present testimony and
bring witnesses to the public hearing should be directed to Ms. Mary Ann Stumpf, Regulations
Coordinator, at P. O. Box 942879, 450 N Street, MIC:80, Sacramento, CA 94279-0080.
Telephone: (916) 322-9569. FAX: (916) 324-3984.

ALTERNATIVES CONSIDERED

The Board must determine that no alternative considered would be more effective in
carrying out the purpose for which this action is proposed or be as effective and less burdensome
to affected private persons than the proposed action.

AVAILABILITY OF STATEMENT OF REASONS AND OF TEXT OF PROPOSED REGULATIONS

The Board has prepared a statement of reasons and strike-out versions of the proposed
repeal. Those documents and all information on which the proposal is based are available to the
public upon request. The Rulemaking file is available for public inspection at 450 N Street,
Sacramento, California. Requests for copies should be addressed to Ms. Mary Ann Stumpf,
Regulations Coordinator, (916) 322-9569, at P. O. Box 942879, 450 N Street, MIC:80,
Sacramento, CA 94279-0080. The express terms of the proposed repeal are available on the
internet at the Board's website <http://www.boe.ca.gov>.

ADDITIONAL COMMENTS

Following the hearing, the State Board of Equalization may in accordance with law adopt
the proposed repeal of the regulation if the repeal remains substantially the same as described in
the text originally made available to the public. If the State Board of Equalization makes
modifications which are substantially related to the originally proposed text, the Board will make
the modified text, with the changes clearly indicated, available to the public for fifteen days
before adoption of the modification. The text of any modified regulation or repeal will be mailed
to those interested parties who commented on the proposed regulatory action orally or in writing
or who asked to be informed of such changes. The modified regulation or repeal will be
available to the public from Ms. Stumpf. The State Board of Equalization will consider written
comments on the modified regulation or repeal for fifteen days after the date on which the
modified regulation or repeal is made available to the public.

Dated: August 5, 1999

STATE BOARD OF EQUALIZATION

/s/ Janice Masterton

Janice Masterton, Chief
Board Proceedings Division

~~Rule 466. VALUATION AND ENROLLMENT OF TREES AND VINES.~~

~~All fruit and nut trees and vines when planted respectively in orchard or vineyard form shall be exempt as provided by law. Upon becoming subject to tax, previously exempt trees and vines shall be valued for the 1979 date and thereafter as follows:~~

~~(a) Those planted in land enforceably restricted shall be annually valued pursuant to the provisions of Section 470 herein without regard to the provisions of Section 2 of Article XIII A of the California Constitution.~~

~~(b) Those planted in land not enforceably restricted shall be enrolled at their base year value appropriately adjusted to reflect annual increases in the consumer price index not to exceed two percent or at their full value for the current lien date, whichever is less.~~

~~(1) The base year for trees and vines planted in land not enforceably restricted shall be the year they became subject to taxation unless that year was prior to 1975 in which case the base year is 1975.~~

~~(c) Perennials, other than trees and vines, planted for their commercial production on enforceably restricted land shall be valued annually as provided in Section 470. If they are planted on land not enforceably restricted, they shall be valued and have the same base year as the land unless planted after lien date 1975 in which case their value as of the date of planting shall be their original base year value.~~

Note: Authority: Section 15606(c), Government Code

Reference: Article XIII A, Sections 1 and 2, California Constitution